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To: All Community Development Recipients  
From: IHFA Community Development Department  
Date: April 4, 2005  
Re: **Community Development Procedural Changes**

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**Notice:** FSP-05-10

*Effective April 4, 2005 for all open awards*

The Community Development Compliance department is making the following procedural changes.

***Appraisals***

- Appraisals are required for the following activities: (1) HOME Owner-Occupied Rehabilitation; and (2) HOME Homebuyer developments. Appraisals must still be submitted with the first rehabilitation or new construction draw. The appraisal must document the after rehabilitation or new construction value.
- For Trust Fund loans, the appraisal must document the current and after rehabilitation or new construction value of each assisted property. Appraisals should be submitted at project set-up.
- For any open activity type not listed above, you are not required to have an appraisal.
- Appraisals must be completed by a licensed appraiser.

***Inspection Certification Form***

- This form is no longer required to be submitted with each draw on a property address; however, upon completion of each property address, the Inspection Certification Form should be signed by the contractor, inspector and homeowner, if applicable. The IHFA Compliance Inspector will request a copy of the signed Inspection Certification Form at final inspection.

***Ledger of Expenditure by Site Address***

- This ledger is no longer required to be submitted with each draw on a property address; however, your IHFA Compliance Monitor will review this ledger at monitoring.

***Administration and Program Delivery Draws***

- You will be allowed to draw administration and program delivery at a rate of 25% at the beginning of the housing activity and then at a rate that does not exceed the rate of drawing down the hard cost line items.

***Retainage Requirements***

- For all awards, IHFA will hold the final \$5,000 of an award until all completion reports, match information, and closeout documents have been submitted and approved by IHFA.

***HOME Acquisition Draws (including downpayment assistance awards)***

- IHFA will no longer require the following documents within 30 days of closing:
  - Executed and recorded Mortgage;
  - Executed and recorded Security Agreement;
  - Uniform Commercial Code;
  - Completion Report; and



- HUD-1 Settlement Statement.

Your IHFA Compliance Monitor will review this information at monitoring.

***Receipt of Payment Form***

- This form is no longer required.

***Contract Obligation Control Ledger***

- This ledger is no longer required.

***Ledger of Appropriations, Encumbrances, Disbursements & Balances***

- This ledger is no longer required.

The Housing from Shelters to Homeownership Implementation Manual – Drawing Funds chapter has been revised to include the revisions listed above. Please visit the following for the most up to date drawing funds chapter, <http://www.in.gov/ihfa/comdev/comp/manuals/im/2004/im2004.htm>.

If you have questions regarding this memo, please contact your IHFA Compliance Monitor toll-free at (800) 872-0371.

